

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2009-411-G

In the Matter Of:)	
)	
Application of Piedmont Natural)	REQUEST FOR APPROVAL OF
Gas Company, Inc. for Approval of)	REALLOCATION OF ENERGY
Energy Efficiency Programs)	EFFICIENCY PROGRAM FUNDS
)	AND THREE YEAR EXTENSION OF
)	PROGRAMS

Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”), through counsel and pursuant to S.C. Code § 58-37-20, respectfully requests authorization from the Public Service Commission of South Carolina (“Commission”) to (1) reallocate unexpended funds from the third program year of the Company’s currently approved Energy Efficiency Programs, and (2) extend the existing Piedmont Energy Efficiency Programs for an additional three years. In support of this request, Piedmont respectfully shows unto the Commission as follows:

1. On May 27, 2010, in Order No. 2010-390 (“May 27th Order”), this Commission approved a settlement between Piedmont and the Office of Regulatory Staff (“ORS”) adopting three Energy Efficiency Programs sponsored by Piedmont and offered to qualifying participants within Piedmont’s South Carolina service territory. These programs were: (1) a Residential Low-Income Weatherization Program; (2) a High-Efficiency Equipment Rebate Program; and (3) a Customer Education Program.

2. The May 27th Order approved a January 27, 2010 Settlement Agreement between ORS and Piedmont, and authorized Piedmont to implement the Energy Efficiency

Programs at a cost not to exceed total expenditures of \$350,000 per year as experimental programs for a period of three years. The Settlement Agreement required Piedmont to notify ORS and the Commission before instituting any proposed changes, adjustment, or modifications to its Energy Efficiency programs.

3. The Settlement Agreement authorized Piedmont to annually expend up to \$50,000 on its Customer Education Program, up to \$150,000 on its High Efficiency Equipment Rebate Program, and up to \$150,000 on its Residential Low-Income Weatherization Program.

4. On January 18, 2011, in Order No. 2011-52, this Commission approved a Piedmont proposal to reallocate funding from program year 2010 of approximately \$25,000 of unspent funds from the Residential Low-Income Weatherization Program and approximately \$40,000 of unspent funds from the Customer Education Program, to the High-Efficiency Equipment Rebate Program.

5. On February 2, 2012, in Order No. 2012-72, this Commission approved a Piedmont proposal to reallocate funding from program year 2011 of approximately \$50,000 of unspent funds from the Residential Low-Income Weatherization Program and approximately \$38,000 of unspent funds from the Customer Education Program, to the High-Efficiency Equipment Rebate Program.

6. As of December 15, 2012, for program year 2012 there was approximately \$50,000 in unexpended funds available in the Residential Low-Income Weatherization Program and approximately \$35,000 in unexpended funds available in the Customer Education Program. The available funds for the High Efficiency Equipment Rebate Program as of that date were close to being exhausted.

7. For the Residential Low-Income Weatherization Program, Piedmont is providing funding to two different organizations that currently administer low-income energy efficiency activities. One of these organizations is now in their third year administering the funds provided and the other organization is still working on their second year funding but should be ready to start their third year funding soon. For the initial program year, Piedmont was not able to get started working with these two organizations as quickly as initially anticipated due to filing changes to the program income guidelines, some scheduling conflicts and also the time required to complete the contractual agreements.

8. The funds allocated to the Customer Education Program for 2012 have not been fully expended. Piedmont has completed some customer education but due to the pace that the Equipment Rebate funding has been depleted Piedmont is looking to reallocate some of the Customer Education Program scheduled funding to the Equipment Rebate program.

9. The High-Efficiency Equipment Rebate Program has again proven popular and the annual funding allocated to that program is currently not sufficient to maintain the program's annual funding operation. In Piedmont's view, the foregoing facts suggest that a reallocation of 2012 unspent funds to the High-Efficiency Equipment Rebate Program is appropriate.

10. As required by the Settlement Agreement and May 27th Order, Piedmont is requesting approval to reallocate some of the third program year unexpended funds from the Customer Education and Residential Low-Income Weatherization Programs to the High Efficiency Equipment Rebate Program as needed. Piedmont will continue to monitor the High-Efficiency Equipment Rebate Program funding levels and will reallocate the funds from the other two programs as needed upon Commission approval of its request.

11. Piedmont's request is designed to make additional funding available to qualifying program participants for the installation of high-efficiency gas equipment. During the first and second year this program was very successful and Piedmont had received approval for reallocated funding. This program has continued to be utilized by customers in our service territory at a forecasted rate greater than what was originally allocated. Piedmont believes that the reallocation of funding requested herein will be beneficial to its customers by making additional rebates available to qualifying participants in the High-Efficiency Equipment Rebate Program.

12. Piedmont also requests that its existing three energy efficiency programs be extended for an additional three years. These programs have been successful in their initial three years in promoting the efficient utilization of energy by Piedmont's customers and it is Piedmont's belief that the continuation of these programs at approved funding levels for an additional three years is in the public interest.

13. Piedmont has discussed its proposed reallocation of unexpended funds and extension of its energy efficiency programs with the Office of Regulatory Staff ("ORS") and believes that the ORS has no concerns with Piedmont's proposals.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission approve Piedmont's proposed reallocation of Energy Efficiency Program funds as described herein and extend its currently approved programs for an additional three years at the previously approved funding levels.

Respectfully submitted, this the 16th day of January, 2013.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ James H. Jeffries IV
James H. Jeffries IV

OF COUNSEL:

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STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

VERIFICATION

Pia Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

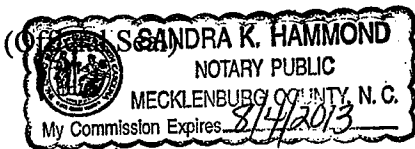
Pia Powers

Pia Powers

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Pia Powers.

Date: January 14, 2013

Sandra K. Hammond
Sandra K. Hammond, Notary Public



My commission expires: August 4, 2013

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Request for Approval of Reallocation of Energy Efficiency Program Funds and Three Year Extension of Programs* is being served this date electronically and via UPS Overnight upon:

Jeffrey M. Nelson
Shannon B. Hudson
Office of Regulatory Staff
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shudson@regstaff.sc.gov

And that a copy of the attached *Request for Approval of Reallocation of Energy Efficiency Program Funds and Three Year Extension of Programs* is being served this date electronically or via U.S. Mail upon:

David Carpenter
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Thomas C. Tinsley
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Spartanburg, SC 29301-5241

This the 16th day of January, 2013.

s/ James H. Jeffries IV
James H. Jeffries IV